



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE

August 21, 2014

Contact: Andy Nielsen
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Auditor of State Mary Mosiman today released a report on the Department of Management for the year ended June 30, 2013.

The Department is responsible for state budget development, local government budget support, revenue estimating and economic forecasting for the State of Iowa, policy development and analysis, enterprise project management and governance system development and oversight. The Department is also responsible for community empowerment coordination for early childhood, utility tax replacement administration, State Appeal Board administration and collective bargaining support.

A copy of the report is available for review in the Department of Management, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1460-5320-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE
DEPARTMENT OF MANAGEMENT**

JUNE 30, 2013

Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



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August 18, 2014


To David Roederer, Director of the
Department of Management:


The Department of Management is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2013.

In conducting our audits, we became aware of an aspect concerning the Department's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation pertaining to the Department's compliance with statutory requirements and other matters which is reported on the following page. This recommendation has been discussed with Department personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Department of Management's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Department of Management, citizens of the State of Iowa and other parties to whom the Department of Management may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of our audits. Should you have questions concerning the above matter, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 5 and they are available to discuss this matter with you.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the Department of Management

June 30, 2013

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Reported in the State's Report on Internal Control:

No matters were noted.

Other Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

Customer Council Duties – Per Chapter 8.6(17) of the Code of Iowa, the Department is to establish a Customer Council having specific powers and duties. Iowa Administrative Code Chapter 12.7(1) requires the Customer Council to review and recommend action on business plans submitted by the Department of Administrative Services (DAS) on an annual basis. Iowa Administrative Code Chapter 12.7(4) requires the Customer Council to review the decision made by the Department of Management that DAS be the sole provider of a service and make recommendations regarding that decision every two years.

Although discussion is documented in the Customer Council minutes regarding a review of DAS rate setting, the minutes did not contain documentation of an annual review of the DAS business plan or a biennial review of the decision for DAS to remain the sole provider of a service.

Recommendation – The Customer Council established by the Department should ensure compliance with the above requirements by performing an annual review of the DAS business plan and performing a biennial review of the Department of Management's decision for DAS to be the sole provider of services. These reviews should be documented in the Customer Council minutes.

Response – The Department of Management has followed the same procedures with regard to the actions of the Customer Council for at least the last six years with no previous audit findings. Management will work with the Department of Administrative Services (DAS) and the Customer Council to ensure the business plans are properly titled going forward. Future meeting agendas will reflect the need for the Customer Council to review the decision that DAS remain the sole provider of a service and provide recommendations regarding their decision.

Conclusion – Response accepted.

Report of Recommendations to the Department of Management

June 30, 2013

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Laura M. Wernimont, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Tracey L. Gerrish, Staff Auditor
Megan E. Irvin, Assistant Auditor